Labour Market Bulletin

New Brunswick

May 2018

This Labour Market Bulletin provides an analysis of Labour Force Survey results for the province of New Brunswick, including the regions of Campbellton—Miramichi, Edmundston—Woodstock, Fredericton—Oromocto, Moncton—Richibucto and Saint John—St. Stephen.

OVERVIEW

Labour market conditions in New Brunswick improved markedly in May. The level of employment grew by 1,800 compared to the month earlier, which helped lower the unemployment rate from 8.0% to 7.3% in May. Also underscoring the strengthening of the labour market in May was the 2,800 increase in full-time employment, which easily offset the decline in part-time employment. Otherwise, the rate of participation was broadly unchanged between April and May of this year.

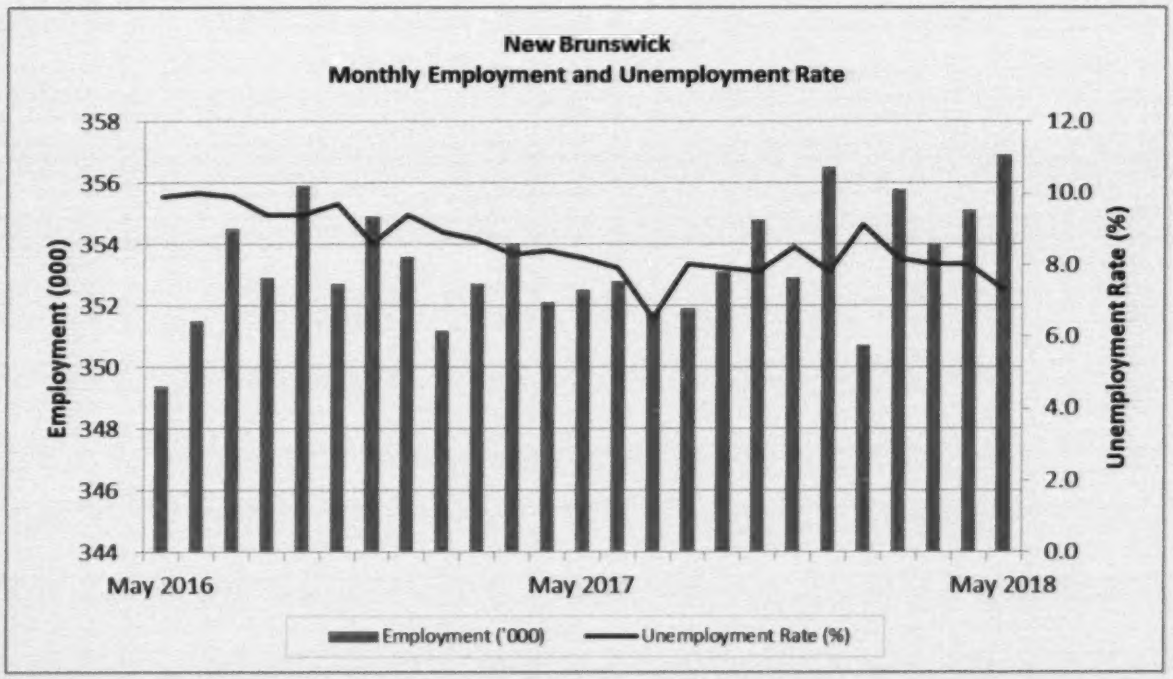
New Brunswick Monthly Labour Force Statistics

Seasonally Adjusted Monthly Data	May 2018	Apr 2018	May 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Population 15 + ('000)	627.2	627.0	624.5	0.2	0.0	2.7	0.4
Labour Force ('000)	385.2	385.9	383.8	-0.7	-0.2	1.4	0.4
Employment ('000)	356.9	355.1	352.5	1.8	0.5	4.4	1.2
Full-Time ('000)	307.4	304.6	303.6	2.8	0.9	3.8	1.3
Part-Time ('000)	49.5	50.5	48.9	-1.0	-2.0	0.6	1.2
Unemployment ('000)	28.3	30.8	31.3	-2.5	-8.1	-3.0	-9.6
Unemployment Rate (%)	7.3	8.0	8.2	-0.7	-	-0.9	-
Participation Rate (%)	61.4	61.5	61.5	-0.1	-	-0.1	-
Employment Rate (%)	56.9	56.6	56.4	0.3	-	0.5	-

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0287

New Brunswick's labour market appeared even more encouraging when viewed over a longer period. The level of employment rose by 4,400 since May of 2017, with the majority of the gains being in full-time work. The relatively modest downward movement in the unemployment rate, which fell from 8.2% to 7.3%, was limited by a slight increase in the labour force during the same period. A 2,700 increase in the working age population was behind the 1,400 rebound in the number of active participants in the labour force.



While labour market conditions strenghtened among the youth (aged 15 to 24) and prime (25 to 54) working age categories, they were most improved among the youth cohort, which is underscored by the 3,700 rise in employment among this age group. However, the decline in the unemployment rate among younger workers was modest because 3,200 workers re-entered the labour force. The latter is encouraging, especially after the very noticeable outflow of younger workers from the labour force that took place around the middle of last year.

While there were 1,300 more seniors working in May compared to the same period in 2017, there were almost as many who left the labour force. Accordingly, the unemployment rate fell by 2.6 percentage points. The participation rate among seniors, which had been rising for the better part of the past decade, fell by 1.3 percentage points during the past year. More generally, it appears that the structural upward trend in the participation rate among older workers has slowed considerably.

New Brunswick Monthly Unemployment Rates, by Gender and Age

Seasonally Adjusted Data	May 2018	Apr 2018	May 2017	Monthly Variation	Yearly Variation
	%	%	%	(% points)	(% points)
Total	7.3	8.0	8.2	-0.7	-0.9
25 years and over	6.9	7.1	7.6	-0.2	-0.7
Men - 25 years and over	7.8	8.6	9.0	-0.8	-1.2
Women - 25 years and over	5.9	5.4	6.2	0.5	-0.3
15 to 24 years	10.0	13.7	11.6	-3.7	-1.6
Men - 15 to 24 years	13.3	15.9	12.1	-2.6	1.2
Women - 15 to 24 years	6.5	11.4	11.2	-4.9	-4.7

Source: Statistics Canada Labour Force Survey – Table 14-10-0287

EMPLOYMENT BY INDUSTRY

The **Services-producing sector** was responsible for all of the monthly employment gains in May, adding 2,400 jobs to the New Brunswick economy from the previous month. A breakdown of the various sub-sectors reveals that the majority of the job gains were concentrated in just a few sectors. **Accommodation and food services** (+1,700) registered the strongest gain, followed closely by **Business, building and other support services** (+1,600). The only other noticeable gain was in **Public Administration**, which added a modest 700 jobs to the New Brunswick labour market.

Otherwise, the broader **Goods-producing sector** shed 700 jobs between April and May, as gains in **Agriculture** (+1,500) and **Forestry, fishing, mining, quarrying and gas** (+800) were offset in large part by declines in **Manufacturing** (-1,800) and, to a lesser extent, **Construction** and **Utilities**.

On a year-over-year basis, job gains were registered in both the **Goods and Services-producing sectors** of the economy. The majority of the job gains, however, were in the **Services-producing sector**, which added 3,200 jobs to the New Brunswick economy. In percentage terms, the 1.1% increase in the services sector actually trailed the 1.5% increase among goods-related industries. At the sub-sectoral level, employment gains within the broader **Services-producing sector** were broad based, though the primary contributors were **Business, building and other support services** and **Information, culture and recreation**, which both registered respective gains of 2,400. Also contributing to the rise in the broader services-related sector was **Health care and social assistance**, which added 1,300 jobs to the economy and **Transportation and warehousing** (+700). The sole source of weakness in the twelve-month period to May of this year was **Trade**, where the level of employment within the sector shrank by 3,400. The latter translates into a decline of 6%, which is quite significant. Recent developments surrounding various trade policies, particularly with the United States, could be weighing on business confidence and impacting the **Trade** sector.

As mentioned, labour market conditions were also improved in the **Goods-producing sector** compared to May of last year, even though the 1,100 rise in employment was only around a third of the services-related job gains. Nonetheless, healthy employment gains were registered in **Agriculture** and **Forestry, fishing, mining, quarrying and oil and gas**, which added 1,500 and 1,200 jobs to the economy, respectively. These job gains appear relatively modest because these sectors are relatively small compared to other much larger services sectors. The percentage change in employment paints a much fairer assessment of how much labour market conditions have actually improved over the past twelve months. The year-over-year growth rate approached 30% in **Agriculture** and 15% in **Forestry, fishing, mining, quarrying and oil and gas**.

The increase in **Forestry, fishing, mining, quarrying and oil and gas** is somewhat encouraging given the countervailing and anti-dumping duties imposed by the U.S. Department of Commerce on New Brunswick softwood lumber shipments. It also represents a turnaround, of sorts, after close to two years of deterioration.

New Brunswick Monthly Employed Labour Force, by Industry

Seasonally Adjusted Data ('000)	May 2018	Apr 2018	May 2017	Monthly Variation		Yearly Variation	
				Number	%	Number	%
Total employed, all industries	356.9	355.1	352.5	1.8	0.5	4.4	1.2
Goods-producing sector	74.4	75.1	73.3	-0.7	-0.9	1.1	1.5
Agriculture	6.7	5.2	5.2	1.5	28.8	1.5	28.8
Forestry, fishing, mining, quarrying, oil and gas	9.5	8.7	8.3	0.8	9.2	1.2	14.5
Utilities	2.9	3.3	3.7	-0.4	-12.1	-0.8	-21.6
Construction	24.6	25.2	24.5	-0.6	-2.4	0.1	0.4
Manufacturing	30.9	32.7	31.7	-1.8	-5.5	-0.8	-2.5
Services-producing sector	282.4	280.0	279.2	2.4	0.9	3.2	1.1
Trade	53.4	54.1	56.8	-0.7	-1.3	-3.4	-6.0
Transportation and warehousing	17.5	17.3	16.8	0.2	1.2	0.7	4.2
Finance, insurance, real estate and leasing	16.7	16.7	16.6	0.0	0.0	0.1	0.6
Professional, scientific and technical services	16.8	16.6	16.2	0.2	1.2	0.6	3.7
Business, building and other support services	17.3	15.7	14.9	1.6	10.2	2.4	16.1
Educational services	26.6	27.0	26.6	-0.4	-1.5	0.0	0.0
Health care and social assistance	59.6	60.4	58.3	-0.8	-1.3	1.3	2.2
Information, culture and recreation	12.2	11.8	9.8	0.4	3.4	2.4	24.5
Accommodation and food services	23.4	21.7	23.3	1.7	7.8	0.1	0.4
Other services	14.7	15.1	15.5	-0.4	-2.6	-0.8	-5.2
Public administration	24.3	23.6	24.4	0.7	3.0	-0.1	-0.4

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0355

REGIONAL ANALYSIS

The unemployment rate fell considerably in the **Campbellton-Miramichi** economic region between May of last year and May of 2018. The 4.2 percentage points decline in the latter was by far the sharpest decline of any other region in the province. The only other ER to register an actual decline was the Fredericton-Oromocto economic region. In essence, the drop in the unemployment rate in the province over the past twelve months was almost solely concentrated in the Campbellton-Miramichi economic region. The catalyst behind the lower unemployment rate was the 3,800 rise in employment, which is even more impressive when expressed in percent change (+6.4%). The gain in employment was concentrated primarily among full-time employment. Meanwhile, the rise in employment was accompanied by a 900 rebound in the size of the labour force.

The **Moncton-Richibucto** economic region registered moderate improvement in labour market conditions since May 2017. There were 3,400 more people employed in May of this year, compared to a year earlier. At the same time, 3,800 workers decided to re-join the labour force, which explains why the unemployment rate was essentially unchanged during the period.

Labour market conditions had been deteriorating in recent months in the **Saint John-St. Stephen** economic region. In the twelve month period leading up to May, the number of people employed declined by 6,700, which could explain why 6,500 workers left the labour force during the same period. The working age population itself remained essentially unchanged. The participation rate, however, fell by a considerable 4.7 percentage points during a twelve-month period, which allowed the unemployment rate to remain unchanged despite such a sharp decline in employment.

Labour market conditions improved in the **Fredericton-Oromocto** economic region during the twelve-month period leading up to May of this year. The 3,000 increase in the number of persons employed was focused primarily among full-time work. The rise in the total number of employed people was accompanied by a matching number of entrants into the labour force, the majority of which decided to look for work again. The

participation rate rose by 2.2 percentage points during the twelve month period. The latter is encouraging, especially since the participation rate in the region fell considerably earlier in 2017.

Although the level of employment in the **Edmundston-Woodstock** economic region was essentially unchanged during the twelve-month period between May of last year and May of this year, it is only because a 2,300 decline in part-time employment was nearly offset by a 2,100 gain in full-time employment. Accordingly, labour market conditions may have been a little more optimistic than it would appear at first glance. Nonetheless, any improvement was limited. The modest downward movement in the unemployment rate was only because 500 people left the labour force. More generally, the region's reliance on the forestry sector makes it vulnerable to countervailing and anti-dumping duties imposed on New Brunswick softwood lumber producers by the U.S. Department of Commerce.

New Brunswick Monthly Labour Force Statistics, by Economic Region

3-Month Moving Averages Seasonally Unadjusted Data	Employment			Unemployment Rate		
	May 2018 ('000)	May 2017 ('000)	Yearly Variation (%)	May 2018 (%)	May 2017 (%)	Yearly Variation (% points)
New Brunswick	349.7	346.4	1.0	8.6	9.3	-0.7
Economic Regions						
Campbellton-Miramichi	63.2	59.4	6.4	12.6	16.8	-4.2
Moncton-Richibucto	105.9	102.5	3.3	8.2	8.1	0.1
Saint John-St. Stephen	77.0	83.7	-8.0	7.1	6.5	0.6
Fredericton-Oromocto	67.9	64.9	4.6	7.4	7.5	-0.1
Edmundston-Woodstock	35.7	35.9	-0.6	8.5	9.1	-0.6

Note: Totals may not add due to rounding

Source: Statistics Canada Labour Force Survey – Table 14-10-0293

***Note:** In preparing this document, the authors have taken care to provide clients with labour market information that is timely and accurate at the time of publication. Since labour market conditions are dynamic, some of the information presented here may have changed since this document was published. Users are encouraged to also refer to other sources for additional information on the local economy and labour market. Information contained in this document does not necessarily reflect official policies of Employment and Social Development Canada.*

***Prepared by:** Labour Market Analysis Directorate, Service Canada, Atlantic Region*
***For further information**, please contact the LMI team at:*
http://www.esdc.gc.ca/cgi-bin/contact/edsc-esdc/eng/contact_us.aspx?section=lmi
***For information on the Labour Force Survey**, please visit the Statistics Canada Web site at: www.statcan.gc.ca*

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